

John P. Margiotta (*jmargiotta@fzlj.com*)
Laura Popp-Rosenberg (*lpopp-rosenberg@fzlj.com*)
Daniel M. Nuzzaci (*dnuzzaci@fzlj.com*)
FROSS ZELNICK LEHRMAN & ZISSU, P.C.
151 West 42nd Street, 17th Floor
New York, New York 10036
Phone: (212) 813-5900

Counsel for Defendants

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SOLID 21, INC.,

Plaintiff,

-against-

RICHEMONT NORTH AMERICA, INC.,
RICHEMONT INTERNATIONAL S.A., and
MONTBLANC-SIMPLO GMBH,

Defendants.

Case No. 1:19-cv-1262 (LGS)

**LOCAL RULE 56.1 STATEMENT OF UNDISPUTED MATERIAL FACTS
IN SUPPORT OF DEFENDANTS' MOTION FOR SUMMARY JUDGMENT**

Pursuant to Federal Rule of Civil Procedure 56 and Local Rule 56.1, Defendants Richemont North America, Inc., Richemont International S.A., and Montblanc-Simplo GmbH (collectively, "Defendants") respectfully submit this Statement of Undisputed Material Facts in support of their motion for summary judgment.

A. The Alloy Known as Red Gold and its Historical and Current Use for Jewelry and Watch Products

1. Pure gold, in its unalloyed state, is not used in jewelry or watches because it is too soft and malleable. To be useful, pure gold must be mixed with another metal to form an alloy.

(Declaration of John P. Margiotta, Esq. in Support of Defendants' Motion for Summary

Judgment (“Margiotta Decl.”), Ex. 1 (Expert Report of Gary L. Smith dated May 24, 2021(“Smith Expert Report”) at ¶ 8).)

2. When pure gold is mixed with another metal to form an alloy, the color changes depending on the type and amount of other metals added. Names like “white gold,” “yellow gold,” “rose gold,” and “red gold” are used to refer to the color of the gold alloy created by the addition of silver, copper, or other trace elements. (Margiotta Decl., Ex. 1 (Smith Expert Report at ¶ 11).)

3. “Red gold” is an alloy of gold and copper, with smaller amounts of silver, which has a red hue due to the addition of copper. A common formula for red gold used in jewelry and watchmaking is 18 karat red gold, which is comprised of 75% pure gold, between 20% to 25% copper, and the balance of the alloy comprised of silver. (Margiotta Decl., Ex. 1 (Smith Expert Report at ¶ 9).)

4. The International Standards Organization (“ISO”), a worldwide federation of national standards bodies, has published International Standard ISO 8654, titled “Jewellery – Colours of gold alloys – Definition, range of colours and designation,” and includes “red gold” as one of the standard colored gold alloys, designated “5N.” ISO lists the designations of colors of gold as follows:

Table 1 — Designation of colours

| Colour | Designation |
|---------------|--------------------|
| 0N | yellow green |
| 1N | pale yellow |
| 2N | light yellow |
| 3N | yellow |
| 4N | pink |
| 5N | red |
| 6N | dark red |

(*Id.* (Smith Expert Report at ¶ 13 & Ex. 7).)

5. Dating back to at least the 1800s, myriad public sources have referenced the term “red gold” and noted the use of red gold in jewelry and watches, including dictionaries; jewelry and watchmaking reference materials; publications targeting jewelry and watch enthusiasts; and general circulation publications. (*Id.* (Smith Expert Report at ¶¶ 12, 16-103 and referenced exhibits).)

6. Many companies within the watch and jewelry industry have used the term “red gold” in reference to their products, including not only Defendants, but also Breitling, Hublot, Movado, Franck Muller, Chopard. and Ulysse Nardin. (Margiotta Decl. at ¶ 12 & Ex. 10; Declaration of Sarah Zaouk in Support of Defendants’ Motion for Summary Judgment (“Zaouk Decl.”) at ¶ 18; Declaration of Florent Dubiez in Support of Defendants’ Motion for Summary Judgment (“Dubiez Decl.”) at ¶ 14.))

B. Plaintiff and Its Use of the Purported “Red Gold” Mark

7. Plaintiff is a watch and jewelry company founded by Chris Aire.

8. Plaintiff sells flashy, “bling” jewelry. (Margiotta Decl., Ex. 5 (Transcript of the Deposition of Christopher Aire, taken May 11, 2021 (“Aire Depo.”) at 62:1-8; 75:22-78:14; Margiotta Decl. at Ex. 7, 74:16-80:17.))

9. With respect to the term “red gold,” Plaintiff owns U.S. trademark Registration No. 2,793,987, registered with the United States Patent and Trademark Office on December 16, 2003, for the word mark RED GOLD for “Fine jewelry made of a special alloying of gold with a distinct color made into fine jewelry, namely, watches, necklaces, bracelets, rings, anklets, cuff links, ornamental hair pins, belt buckles of precious metal, tie clips and pegs, and earrings” in International Class 14. (Third Amended Complaint, ECF No. 67 at ¶ 2.)

10. Plaintiff only uses its claimed “red gold” trademark in connection with products containing “amber-hued” gold – i.e., red gold alloy. (Margiotta Decl., Ex. 5 (Aire Depo. 125:20-127:18).)

11. Plaintiff has sued many watch and jewelry companies over use of the term “red gold.” The United States Patent & Trademark Office lists over 50 such lawsuits. (Margiotta Decl., Ex. 5 (Aire Depo. at 42:6-20); Margiotta Decl. at ¶ 12 & Ex. 10.)

12. Plaintiff’s only brick and mortar store closed in 2019. (Margiotta Decl., Ex. 5 (Aire Depo. at 169:5-12 & 185:4-20).) Plaintiff’s products have not been sold through any third-party retail outlet for more than decade. (*Id.* (Aire Depo. at 186:23-189:24).)

13. Mr. Aire estimated that 60% of Plaintiff’s sales are attributable to sale of “red gold” collection jewelry and watches. (Margiotta Decl. at Ex. 5 (Aire Depo. at 182:16-21).) Plaintiff does not track and cannot say how many units of products it sells in a given year. (*Id.* (Aire Depo at 183:3-12).)

C. Defendants and Their Use of the Term “Red Gold”

14. The Defendant brands at issue – MONTBLANC, BAUME & MERCIER and IWC – are Swiss watch and jewelry companies owned by Richemont Group. Each brand has a heritage stretching back more than century. (Zaouk Decl. at ¶¶ 8, 10; Dubiez Decl. at ¶ 5.)

15. MONTBLANC, BAUME & MERCIER and IWC are all registered trademarks. (Zaouk Decl. at ¶¶ 9, 11; Dubiez Decl. at ¶ 7.)

16. Defendants only employ the term “red gold” in connection with Defendants’ products that are made, at least in part, from red gold alloy conforming to ISO Standard 8654. (Zaouk Decl. at ¶¶ 15, 17; Dubiez Decl. at ¶¶ 12-13, 15; *see also* Margiotta Decl., Ex. 4.) Whenever the term “red gold” appears in connection with Defendants’ products, one of

Defendants' house marks (MONTBLANC, BAUME & MERCIER or IWC) always also appears. (Zaouk Decl. at ¶ 16; Dubiez Decl. at ¶¶ 10, 12; *see also* Margiotta Decl., Ex. 4.)

17. Defendants Richemont International S.A. (RISA) and Montblanc-Simplo GmbH ("Simplo") sell MONTBLANC, BAUME & MERCIER, and IWC products in the United States only to their affiliated company Defendant Richemont North America, Inc. ("RNA"). RNA is the exclusive distributor of MONTBLANC, BAUME & MERCIER, and IWC products in the United States, and RNA is the only Defendant entity that makes public sales of MONTBLANC, BAUME & MERCIER, and IWC products in the United States. (Zaouk Decl. at ¶ 26; Dubiez Decl. at ¶¶ 9, 20.)

18. RNA sells MONTBLANC, BAUME & MERCIER, and IWC only through the brands' own websites, monobrand boutiques, and a select network of authorized retailers and department stores. Plaintiff's products are not sold in any of the same stores. (Zaouk Decl. at ¶¶ 22-23; Dubiez Decl. at ¶ 17.)

19. Defendants' products are sold at a high price point, and consumers carefully consider these purchases before making them. (Zaouk Decl. ¶ 25; Dubiez Decl. at ¶ 18.)

20. None of the Defendants are aware of any actual confusion in this case, and they used the term for nearly a decade under a tolling agreement with Plaintiff. (Zaouk Decl. at ¶ 21; Dubiez Decl. at ¶ 16.)

Dated: New York, New York
September 16, 2021

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

By: /s/ John P. Margiotta
John P. Margiotta (jmargiotta@fzlj.com)
Laura Popp-Rosenberg (lpopp-rosenberg@fzlj.com)
Daniel M. Nuzzaci (dnuzzaci@fzlj.com)
151 West 42nd Street, 17th Floor
New York, NY 10036
Tel: (212) 813-5900

Attorneys for Defendants